



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

March 17, 2003

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 2642

Mr. Dave Taylor
Miracle Rock Mining and Research
400 South 200 East
Emery, Utah 84522

Re: Notice of Non-Compliance, Miracle Rock Mining and Research, The Rockland Mine,
M/015/040, Emery County, Utah

Dear Mr. Taylor:

This letter provides formal notice that mining operations at The Rockland Mine (M/015/040), located in Emery County, Utah, are being conducted in violation of the Utah Mined Land Reclamation Act, 40-801 et. seq. (Act) and the Minerals Reclamation Program Rules, sections R647-1 through R647-5.

A site inspection was performed on June 7, 2002, which confirmed that large mining operations are being conducted at this site.

Findings of Non-Compliance

1. Through acquisition of the mine formerly known as The Junkyard Mine, Miracle Rock Mining and Research has expanded their mining operations to 6.00 acres of surface disturbance. Rule R647-4-101 requires an operator to file a Notice of Intention to Commence Large Mining Operations (FORM MR-LMO) and receive Division approval of the permit application before beginning large mining operations. To date, Miracle Rock Mining and Research has failed to file an application to include this additional disturbance.
2. Rule R647-4-113 requires an operator to post surety with the Division to ensure adequate reclamation is performed, before mining-related disturbances are created. To date,

Miracle Rock Mining and Research has not filed adequate reclamation surety with the Division of Oil, Gas and Mining to cover the 6.00 acres of surface disturbance.

Location of Non-Compliance

Disturbances associated with Miracle Rock Mining and Research's Rockland Mine are located in the N½ Section 2, Township 23 South, Range 6 East, SLBM, Emery County, Utah.

Mitigation Requirements:

You are hereby directed to suspend all mining related activities and removal of material from the mine site until you:

1. File a Notice of Intention to Commence Large Mining Operations (FORM MR-LMO), including an additional permit fee of \$350, within 60 days of your receipt of this letter
2. **Post a \$30,000 (\$5,000 X 6 acres) transitional reclamation surety within 60 days of receipt of this letter.** This *transitional* surety will remain in place until a notice of intention to commence large mining operations is submitted and approved. The surety amount will be adjusted accordingly upon Division approval of the large mine notice of intention.
3. Miracle Rock Mining and Research must mark the boundary of the disturbed area with metal T-posts, or other appropriate markers, to ensure that operations are not conducted outside of the disturbed area. The markers must be placed so they can be seen in either direction with the naked eye. The markers must be installed within 30 days of your receipt of this notice.

Penalties for Failure to Comply

1. Miracle Rock Mining and Research's failure to resolve this Notice of Non-compliance within the timeframes set forth in this letter may result in the filing of a formal Notice of Agency Action. This enforcement action could require the operator to appear at an informal hearing before the Division Director, or a formal hearing before the Board of Oil, Gas and Mining. Following public notice and formal hearing, the Board may issue an abatement or compliance Order which may require: immediate suspension or termination of all mining operations until the revised plan is approved; revocation of the existing permit and immediate reclamation of the site; and/or other lawful requirements as authorized under the Act.

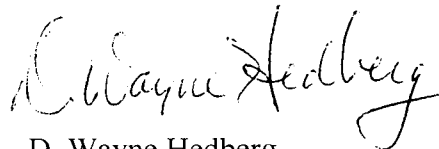
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2. The Board may also ask the County prosecutor or attorney general to bring suit against the operator to enforce its Orders and to seek assessment of appropriate penalties, not to exceed \$10,000 for each knowing or willful violation of the Act.

If you wish to contest this Notice of Non-Compliance, you may contact the Division to schedule an informal meeting with the Associate Director of Mining and members of the Minerals Program staff. If you choose to appeal this Notice and arrange an informal meeting, please contact Vickie Southwick, Executive Secretary, at (801) 538-5304, within 10 days of your receipt of this notice.

If you have any questions regarding the requirements of this letter, please contact me at (801) 538-5286, or Paul Baker at 538-5261. Thank you for your immediate attention to this matter.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
cc: John Blake, SITLA
Mary Ann Wright, Associate Director
Vickie Southwick, DOGM
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